Manitoba

ANNUAL REPORT

1985-86

Manitoba
Horse Racing
Commission

MANITOBA HORSE RACING COMMISSION

D.F. Williams, Q.C. Chairman
Morris Kaplan, Vice Chairman
Robert Topley, Supervisor of Racing

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Telephone (204) 885-7770

Ian E. MacKenzie, Member
Irene E. Bauman, Member
Jack T. Philpot, Member

June 5, 1986.

The Honourable Maureen Hemphill,
Minister of Business Development
and Tourism,
Room 227,
Legislative Building,
WINNIPEG, Manitoba.
R3C 0V8

Dear Minister:

The undersigned has the honour to present the Twentieth Annual Report of The Manitoba Horse Racing Commission covering the fiscal year ended March 31st, 1986.

Yours truly,

MANITOBA HORSE RACING COMMISSION,

D.F. Williams

Mr. Dan F. Williams, Q.C.,
Chairman.

DFW/am

TWENTIETH ANNUAL REPORT

THE MANITOBA HORSE RACING COMMISSION

for year ending March 31, 1986.

COMMISSIONERS

Dan F. Williams, Q.C.	Chairman	Selkirk
Morris Kaplan	Vice Chairman	Winnipeg
Irene Bauman	Member	Minto
Ian MacKenzie	Member	Portage la Prairie
Jack Philpot	Member	Winnipeg

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SUPERVISOR OF RACING

Robert P. Topley

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TWENTIETH ANNUAL REPORT

THE HORSE RACING COMMISSION

General

This report covers the twelve months ended March 31st, 1986.

Thoroughbred Racing

The 1985 Thoroughbred Meet at Assiniboia Downs was a resounding success with a pari-mutuel increase of $4,525,725 and per capita wagering increasing by $14 per person.

The most significant reason for these increases is due to the reduction in pari-mutuel takeout.

The Provincial Government in cooperation with Assiniboia Downs, the Horsemen's Benevolent Protection Association and the Canadian Thoroughbred Horse Society instituted a program that reduced the takeout by 5.16%.

The Derby Series added a lot of prestige to Thoroughbred racing in Manitoba and it will permantly established Manitoba as a significant participant on the Canadian racing scene.

Standardbred Racing

Standardbred racing has established new highs for their Fall/Winter meet at Assiniboia Downs.

Both the handle and attendance increased despite numerous colder days than previous recent years; 1 day cancelled due to inclement weather.

The pari-mutuel handle increased $684,194 and the attendance increased by 11,055 resulting in a substancial increase in per capita wagering from $119 in 1984 to $131 in 1985.

The quality of races improved with the inauguration of the Fall Racing Championship and the Racing Derby Series which brought the finest Standardbreds ever to race in Manitoba.

The Manitoba Great Western Harness Racing Circuit saw a decline in wagering and attendance which was directly attributed to the wet weather - seven days were lost to rain outs.

Quarter Horse Racing

Quarter Horse racing was hampered by poor weather at Rossburn, however, they were able to have non-betting races at Gilbert Plains and average 2 races a week in the fall at Assiniboia Downs.

Rulings, Fines & Appeals

The Thoroughbred Meet saw 94 rulings issued which resulted in fines totalling $4,015 and 22 suspensions.

The Standardbred Meet totalled 249 rulings consisting of $12,125 in fines and 15 suspensions.

Nine appeals were filed with the Commission - 3 were upheld and 6 were denied.

Financial Statement

The accounts of the Commission have been audited by the Office of the Provincial Auditor and the Financial Statements are attached to this Annual Report.

SCHEDULE A

Thoroughbred Racing - Assiniboia Downs

	1985	1984
Pari-Mutuel Handle	$39,427,949	$34,902,224
Number of Race Days	108	107
Average Daily Handle	365,074	326,189
Attendance	393,032	408,150
Average Daily Attendance	3,639	3,814
Per Capita Wagering	100	86
Gross Purses	3,533,962	3,395,029
Number of races	1,039	996
Per Race Purse Average	3,401	3,409
Federal Takeout	315,423	279,218
Provincial Takeout	3,607,876	3,193,012

Provincial Support Program

	1985	1984
3% Provincial Government Rebate	$1,182,839	$ 697,211
Purse Support (Overnight)	1,406,322	1,247,477
Purse Supplements	337,340	307,870
Breeder Takeout Support	63,085	37,185
Purse Stakes Support	95,500	65,500
Breeders Awards	70,920	74,986
Stallion Awards	28,560	33,718
C.T.H.S. Administration	35,000	31,430
Total	$3,219,566	$2,495,377

SCHEDULE B

Standardbred Racing - Assiniboia Downs

	1985/86	1984/85
Pari-Mutuel Handle	$17,842,464	$17,158,270
Race Days	105	108
Average Daily Handle	169,928	158,873
Attendance	135,358	144,569
Average Daily Attendance	1,289	1,339
Per Capita Wagering	131	119
Total Purses	1,653,416	1,317,050
Number of Races	1,250	1,243
Per Race Purse Average	1,322	1,060
Federal Takeout	142,740	137,266
Provincial Takeout	1,615,891	1,401,420

Provincial Support Program

	1985/86	1984/85
Purse Support (Overnight)	$ 639,965	$ 633,825
Purse Supplements	-	3,000
Sires Stakes	160,000	120,000
Breeders Awards	64,139	52,205
Owner Awards	64,195	52,205
M.S.S.B.A. Administration	10,000	-
Total	$ 938,299	$ 861,235

Drug Control Statistics

	1985/86	1984/85
Number of Positives	5	5

SCHEDULE C

Standardbred Racing - Rural Circuit

	Racing Days		Amount Wagered	
	1985	1984	1985	1984
Carberry	2	2	$ 56,400	$ 31,132
Carman	3	3	69,346	89,344
Dauphin	-	4	-	137,282
Deloraine	2	2	66,530	70,342
Glenboro	2	2	67,788	65,160
Holland	2	2	68,978	68,780
Killarney	2	3	64,898	108,680
Minnedosa	1	2	31,880	60,732
Pilot Mound	3	3	58,850	91,610
Portage	4	4	137,182	131,334
Russell	1	2	19,118	32,278
Virden	4	4	111,856	104,526
Wawanesa	2	2	63,156	70,452
TOTALS	28	35	$815,982	$1,061,652

Other Comparative Statistics

	1985	1984
Attendance	44,187	50,736
Average Daily Attendance	1,578	1,450
Gross Purses	299,272	365,605
Per Race Purse Average	1,125	1,107

Provincial Support Programs	1985	1984
Purse Supplements	$120,588	$158,827
Breeders Awards	63,900	63,400
Sires Stakes	20,00	20,000
Capital Grants	29,351	22,078
TOTALS	$233,839	$264,305

Per Capita Wagering	18.47	20.93

SCHEDULE D

Quarter Horse Racing

	1985	1984
Pari-Mutuel Handle		
Rossburn	$ 4,596	$ 9,352
Racing Days		
Rossburn	1	1
Provincial Support Program		
Purse Supplements	$ 8,100	$ 9,500
Sires Stakes	2,000	2,000
TOTALS	$10,100	$11,500

MANITOBA HORSE RACING COMMISSION

Occupational Licenses, Registration Fees & Fines for the year ending March 31, 1986.

Licenses	Thoroughbred	Standardbred
Owner	827	449
Owner/Trainer	93	80
Owner/Driver	-	8
Trainers	40	15
Assistant Trainers	9	-
Owner/Trainer/Driver	-	92
Jockeys	37	-
Apprentice Jockey	50	-
Drivers	-	19
Driver/Trainer	-	11
Jockey Agent	13	-
Veterinarians	4	1
Officials	8	13
Tradesmen	33	16
Backstretch	303	86
Association Employees	209	138
Sponored Person	771	247
Assistant Trade	1	-
Updated Licences	15	5
Quarter Horse	125	-

Registered Fees	Thoroughbred	Standardbred
Partnerships	211	44
Stable Names	133	12
Colours	33	-
Leases	15	7
Authorized Agents	184	82
Open Claims	17	-

THE HORSE RACING COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C, of The Horse Racing Commission for the year ended March 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

June 16, 1986,
Winnipeg, Manitoba.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1986

1. Nature of the operations

The objectives of the Commission are to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba. In addition, the Commission acts as a conduit for support grants between the Government of the Province of Manitoba and the horse racing industry.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba. Consequently, the Commission will not experience an operating deficit. Administrative grant monies drawn down in excess of actual expenses are retained by the Commission as "funds available for future operations". However, such funds available for future operations reduce subsequent administrative grant requirements.

2. Significant accounting policies

An accrual basis of accounting is followed except for:

i) Capitalization and depreciation

The costs of building renovations, purchases of equipment and office furniture, are charged directly to operations. Accordingly depreciation is not provided for in the accounts.

ii) Pension liability and expense

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $73,517 as at December 31, 1985 ($54,500 - December 31, 1984).

iii) Support grants

Support grants are recorded on a cash basis and are reflected separately (Exhibit C) from the general administrative activities of the Commission.

3. Accounts receivable arising from 1982 temporary track closure

An agreement dated July 21, 1982 between the Horsemen's Benevolent and Protective Association (H.B.P.A.), the Canadian Thoroughbred Horse Society (C.T.H.S.) and The Horse Racing Commission provided for the payment of amounts owing to individual horsemen as a result of the default by Assiniboia Downs 1981 Ltd.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1986

3. Accounts receivable arising from 1982 temporary track closure (continued)

In addition, a letter of understanding dated August 7, 1982, from the H.B.P.A. provided that the H.B.P.A. would reimburse the Commission for the 1982 purse overpayments incurred by Winnipeg Racing Ltd., which were paid by the Commission.

On the basis of the above agreements, the accounts receivable consist of the following:

Charged during 1982:		
re: July 21, 1982 agreement		$ 106,985
re: August 7, 1982 letter of understanding		170,604
Accounts receivable, as at December 31, 1982		277,589
Payments received during the 15 month period ended March 31, 1984	$ 109,000	
1982 H.B.P.A. undistributed grant funds applied	17,201	126,201
Accounts receivable as at March 31, 1984		151,388
Payments received during the year ended March 31, 1985		102,992
Accounts receivable as at March 31, 1985		48,396
Payments received during the year ended March 31, 1986		743
Accounts receivable as at March 31, 1986		$ 47,653

The July 21, 1982 agreement further provided that surplus funds of Winnipeg Racing Ltd. would reduce the amount owing to the Commission. Winnipeg Racing Ltd. has been wound up effective March 1, 1985. The surplus amounted to $20,735. The Commission received $19,992 of the surplus during the year ended March 31, 1985, which has been included in the $102,992 above, and received the balance of $743 in the year ended March 31, 1986.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1986

4. Fees, licences and fines

	1986	1985
Thoroughbred		
Daily licences	$ 32,400	$ 36,600
Fees and licences	52,177	44,530
Fines	4,015	4,665
	88,592	85,795
Standardbred		
Daily licences	28,650	31,400
Fees and licences	12,685	11,755
Fines	12,125	15,990
	53,460	59,145
	$ 142,052	$ 144,940

5. Contingent liabilities

The Commission is liable in respect to legal claims pending completion of the appeal process. Potential liabilities have been established at $80,800 plus interest and costs for one claim and $3,500 in costs and disbursements for the other claim. Although the Commission is not the defendant in one case, it has agreed to indemnify the defendant against loss in this matter as the claim arose from his carrying out of duties as a member of the Commission. Concerning the claim for $80,800, the plaintiff has succeeded, however, the Commission has appealed the court's decision and no provision has been made in the Commission's accounts for this potential liability. With respect to the second claim the court has ruled in favour of the plaintiff, however, the Commission will be appealing this decision. The Commission recorded a provision of $3,500 in its accounts for future legal costs.

6. 1985 Comparative figures

Comparative figures have been restated where necessary to conform to the presentation in these statements for the year ended March 31, 1986.

Exhibit A

THE HORSE RACING COMMISSION

Balance Sheet
as at March 31, 1986
(with 1985 figures for comparison)

	1986	1985
A S S E T S		
Current assets:		
Cash on hand and in bank	$ 64,734	$ 116,478
Accounts receivable arising from 1982 temporary track closure (Note 3)	47,653	48,396
Grant receivable - Government of the Province of Manitoba	24,056	60,000
Prepaid expenses	1,696	-
	$ 138,139	$ 224,874
L I A B I L I T I E S		
Current liabilities:		
Accounts payable and accrued liabilities	$ 31,526	$ 41,059
Accounts payable - re employee	-	6,922
Undistributed grants, Exhibit C	-	13,061
Advance - Government of the Province of Manitoba	35,000	-
Deferred revenue	8,940	6,170
	75,466	67,212
Reserve for future legal costs	3,500	-
Funds available for future operations, Exhibit B	59,173	157,662
	$ 138,139	$ 224,874

Exhibit B

THE HORSE RACING COMMISSION

Statement of Revenue and Expenditure and Funds Available for Future Operations for the year ended March 31, 1986 (with 1985 figures for comparison)

	1986	1985
Revenue:		
Grant from the Government of the Province of Manitoba	$ 290,000	$ 396,500
Fees, licenses and fines (Note 4)	142,052	144,940
Interest	11,790	-
Sundry	1,496	-
	445,338	541,440
Expenditure:		
Advertising and promotion	720	431
Building renovations	-	181
Commissioners' honoraria	25,044	20,853
Employee benefits	17,542	20,854
Equipment and office furniture	9,133	1,871
Equipment rentals	12,732	11,248
Health and post secondary education tax levy	5,039	5,282
Hearings and appeals	11,335	9,347
Identification supplies	8,148	11,066
Memberships and dues	4,717	5,612
Office	12,349	9,857
Professional fees	27,359	15,022
Recruiting costs	4,626	2,277
Repairs and maintenance	7,767	6,915
Research grant	5,000	5,000
Salaries:		
Administration	114,029	104,065
Security	4,335	5,515
Stewards and judges	168,251	168,296
Veterinarian services	61,699	59,954
Sundry	22	2,340
Telephone	7,506	7,905
Training costs - salary and travel	18,250	34,066
Travel	14,724	25,320
	540,327	533,277
Revenue (under) over expenditure	$ (94,989)	$ 8,163
Funds available for future operations at beginning of year	$ 157,662	$ 149,499
Revenue (under) over expenditure	(94,989)	8,163
Appropriated to reserve for future legal costs	(3,500)	-
Funds available for future operations at end of year, Exhibit A	$ 59,173	$ 157,662

Exhibit C

THE HORSE RACING COMMISSION

Statement of Government Grant Receipts and Disbursements for the year ended March 31, 1986 (with 1985 figures for comparison)

	1986	1985
Grant received from the Government of the Province of Manitoba	$ 4,388,743	$ 3,626,276
Grants disbursed:		
Thoroughbred		
Overnight purse support	2,589,161	1,944,688
Owners/Breeders incentive	595,405	519,259
C.T.H.S. administrative grant	35,000	31,430
Standardbred		
Overnight purse support	639,965	633,826
Owners/Breeders incentive	288,334	227,410
M.S.S. & B.A. administrative grant	10,000	-
Standardbred rural		
Overnight purse support	120,588	158,827
Owners/Breeders incentive	63,900	63,400
Stakes program	20,000	20,000
Capital grants	29,351	22,078
Quarter horse		
Overnight purse support	8,100	9,500
Stakes program	2,000	2,000
	4,401,804	3,632,418
Disbursements over receipts	13,061	6,142
Undistributed grants - beginning of year	13,061	19,203
Undistributed grants - end of year, Exhibit A	$ -	$ 13,061